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September 15, 2005

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

SEP 16 2005

PUBLIC SERVICE
COMMISSION

Re: An Inquiry Into Universal Service and Funding Issues
Administrative Case No. 360

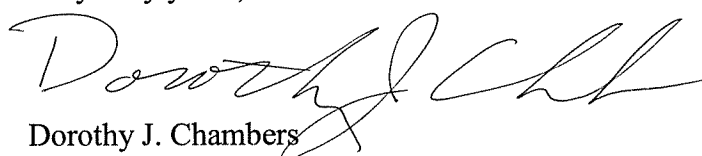
Dear Ms. O'Donnell:

On August 31, 2005, I notified you that BellSouth was working with the Kentucky Cabinet for Human and Family Services (Cabinet) to further verify Lifeline eligibility for the sample in our certification audit. We anticipated that we would be in a position to make a final report to the Commission by September 15, 2005.

We have been in contact with a representative of the Cabinet but are still finalizing a confidentiality agreement with the Cabinet that will protect both parties' responsibilities to protect sensitive information. We will continue to work through this process, verify the sample, and report the results to the Commission as soon as possible. We apologize for any inconvenience this delay may have caused the Commission or staff.

If there are any questions concerning BellSouth's progress in completing the verification, please call Jim Tipton at 502-582-8925.

Very truly yours,



Dorothy J. Chambers